

CITY OF GAHANNA

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CITY OF GAHANNA RECEIVES CREDIT RATING UPGRADE

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GAHANNA, OH (August 8, 2005) - **The City of Gahanna is proud to announce that it has received an upgrade to "Aa2" related to its general obligation credit rating from Moody's Investors Service.** This rating is one of the highest ratings that Moody's awards (with only "Aaa" followed by "Aa1" being higher). Gahanna is one of only sixteen cities in the State of Ohio at the "Aa2" level.

"Our City is very pleased with our bond rating upgrade by one of the nation's leading independent bond-rating agencies. There is no better appraisal of a city's financial condition than a national bond rating and Gahanna has proven itself financially sound and credit worthy. This upgrade is a reflection of Gahanna's favorable financial performance. I'm very proud of the City's hard work and fiscal responsibility that earned it a "Aa2" rating," Gahanna Mayor Becky Stinchcomb stated.

The new rating represents a significant improvement from the City's previous rating of "Aa3" that was achieved on February 9, 2000 (prior to this the City had an "A1" rating). According to Shawn O'Leary, an investor service analyst with Moody's, "The upgrade was based on Gahanna's large and moderately growing tax favorably located within the Columbus (Aaa) metropolitan area, sound financial management as evidenced by sizeable General Fund reserve levels and modest amount of slowly retired debt."

Moody analysts added that they believe Gahanna will continue to see moderate, yet steady expansion of the City's tax base over the next decade as the City annexes property for development and current economic development projects are completed. They also noted that Gahanna's debt burden will remain modest in the near term due to expected tax base growth, limited future borrowing plans and the practice of paying for capital improvement projects with funds on hand.

In anticipation of Gahanna's upcoming \$14,650,000 bond sale for the Creekside Phase II & Morrison Road Projects, the bond rating presentation was made to Moody's on July 26 by Gahanna's Mayor Rebecca Stinchcomb, Director of Finance Jerry Isler, Development Director Sadicka White, Deputy Director of Finance Angel Mumma, the City's Bond Underwriter Megan J. Browning of Seasongood & Mayer and the City's Bond Counsel Rich Simpson and Price Finley of Bricker & Eckler. The City will issue bonds on August 18, 2005 to improve Morrison Road and the extension of Creekside Park. "The improved credit rating will allow Gahanna to achieve a lower interest cost on their bonds, which will translate into significant savings for City taxpayers," Browning stated.

"This upgrade shows the continued, conservative well planned financial condition of the City of Gahanna as practiced by the Council and Administration. This reflects the ongoing prudent use of debt by the City of Gahanna as the City continues to provide excellent services while other governments have experienced cutbacks and increased taxes, "said Isler.

Moody's Investors Service, a leading global credit rating, research and risk analysis firm, publishes credit opinions, research, and ratings on fixed-income securities, issuers of securities and other credit obligations. Credit ratings and research help investors analyze the credit risks associated with fixed-income securities.